

PROJECT APPLICATION FORM – 2010

Applicant: Acton Community Housing Corporation **Submission Date:** 11/9/09

Applicant's Address, Phone Number and Email **Purpose: (Please select all that apply)**

Acton Community Housing Corporation
Nancy Tavernier, Chair

☐ Open Space

Acton Town Hall

☒ Community Housing

472 Main St.

☐ Historic Preservation

Acton MA 01720

☐ Recreation

978-263-9611

achc@acton-ma.gov

Town Committee (if applicable): Acton Community Housing Corporation

Project Name: Community Housing Program Fund

Project Location/Address: ACHC c/o Acton Town Hall

Amount Requested: \$50,000

Project Summary: In the space below, provide a brief summary of the project.

ACHC is requesting \$50,000 to be added to the existing Community Housing Program Fund for "the acquisition, creation, preservation, and support of community housing in the Town of Acton."

The Program Fund is used to finance new affordable housing initiatives. This set-aside fund is retained by the ACHC and earmarked for appropriate affordable housing activities recommended by the ACHC or any other entity approved by the Board of Selectmen. Expenditures from this Fund must be approved by the Board of Selectmen under the ACHC powers established through Home Rule petition (Chapter 143 of the Acts of 1996, § 1)

The value of such a Housing Fund is in the broad definition for its use that allows the ACHC, or other affordable housing groups, to react to opportunities as they are identified and not to restrict it to specific projects or activities. Very often these specific uses are not known in advance of the normal CPA funding cycle which is six months in advance of the Town Meeting vote. The Program Fund would be used only for allowable CPA affordable housing purposes to provide a diversity of affordable housing opportunities for Acton residents and employees who work for and in the Town, as well as new residents from outside of Acton.

With this request, ACHC proposes to continue its current programs and initiate new ones. The Condo Buy-Down program began in 2007. This Program applies to existing housing units or new construction units in non-40B developments in Acton, it is not used for standard 40B developments. The sellers receive a payment at the time of closing to lower (buy down) the selling price to a pre-determined affordable level so the unit could be sold to income eligible households earning up to 80% of the Area Median Income. DHCD requires the units to be marketed to this moderate income group. In exchange, a deed restriction is placed on the property to keep the unit affordable into perpetuity and the unit is added to the Town's Subsidized Housing Unit Count. ACHC has created three affordable units using this program but the program is currently in hiatus due to the housing market where many market units are selling at the same affordable prices that ACHC would be creating with the buy down. In order to jump-start this program, ACHC has to

contract with a lottery agent to create a new Ready Buyer List using the DHCD required affirmative marketing process. ACHC will make that decision when the housing market settles down.

The fund can also be used to do minor capital upgrades for existing deed restricted units as part of the resale process. ACHC is the monitoring agent for resales of affordable units and may use these funds to contract with an agent to handle the resale to an income eligible buyer.

ACHC has partnered with the Acton Housing Authority to buy existing condo units for the AHA's low income rental program. A combination of CPA, AHA, and housing gift funds has been used to fund these acquisitions. The current housing market offers an excellent opportunity to acquire these units at reduced prices. ACHC has funded two of these units to date for a total of \$215,000.

ACHC developed a Down Payment and Closing Cost Assistance Program in 2008 that has assisted 9 first time homebuyers purchase a deed restricted unit. In our experience, it appears one major obstacle to being ready to buy a home is the lack of funds for a 3-5% down payment and the closing costs which can be in excess of \$5000. ACHC reviews applications submitted by the buyers and determines the appropriate grant level according to the asset measurement of the buyers. Grants have ranged from \$1000-\$6000. A total of \$21,000 has been expended for this program in the past two years.

ACHC has access to privately funded housing gift funds that would be used as leverage for these programs in addition to the requested CPA funds.

These programs are consistent with the Goals established by the Community Preservation Committee to address the housing needs of the community as detailed in the 2010 Community Preservation Plan.

The use of the Community Housing Program Fund for affordable housing opportunities is consistent with this Goal in the Acton Master Plan.

Goal: Encourage diversity in Acton's population by achieving a mix of homes that enhances Acton's town character and provides needed choices for our residents.

Objective: Preserve the character of Acton's established residential neighborhoods.

Objective: Promote a range of economic diversity in housing including low and moderate income housing.

Objective: Promote a range of choice in the types of homes to allow for residents' changing capacities and preferences.

Acton's Community Development Plan entitled "To Live in Acton" identifies five priority housing needs that could be addressed through the use of the Community Housing Program Fund. These are the priorities:

PRIORITY HOUSING NEEDS:

- #1 Low-Income Rental Units
- #2 Affordable Senior Apartments
- #3 Moderate-Income Homeownership
- #4 More Choices for Seniors
- #5 Below-Market Homeownership

Estimated Date for Commencement of Project: _____ ongoing_____

Estimated Date for Completion of Project: _____ ongoing_____